

November 17, 1998

PROCUREMENT DIRECTIVE NO. 1998-03

TO: All Chief Procurement Officers

FROM: Bond Forms Pursuant to Section 3-122-228, HAR

The purpose of this directive is to:

- 1) Rescind Procurement Directive No. 1997-01, dated November 12, 1997, and Amendment 1, dated March 18, 1998; and
- 2) Reissue the bond forms required by Subchapter 24, Chapter 3-122, HAR, pursuant to Section 103D-325, HRS.

The only change made to the forms since the March 18, 1998 Amendment 1 is as follows:

The line on the bond forms (Exhibits A through H) that reads "KNOW ALL MEN BY THESE PRESENTS:" IS CHANGED TO NOW READ "**KNOW TO ALL BY THESE PRESENTS:**".

Effective this date, purchasing agencies shall utilize bond and acknowledgment forms that are substantially as provided in the attached exhibits:

**EXHIBIT A:** Surety bid security titled "Surety [Bid] [Proposal] Bond", dated 11/17/98.

**EXHIBIT B:** Surety contract performance bond titled "Performance Bond (Surety)", dated 11/17/98.

**EXHIBIT C:** Contract performance bond for types of bonds submitted pursuant to paragraphs 3-122-222(2) and (3), HAR, titled "Performance Bond", dated 11/17/98.

**EXHIBIT D:** Surety contract labor and material payment bond titled "Labor and Material Payment Bond (Surety)", dated 11/17/98.

**EXHIBIT E:** Contract labor and material payment bond for types of bonds submitted pursuant to paragraphs 3-122-222(2) and (3), HAR, titled "Labor and Material Payment Bond", dated 11/17/98.

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- EXHIBIT F:** Surety combination contract performance and payment bond titled "Combination Performance and Payment Bond", dated 11/17/98.
- EXHIBIT G:** Surety contract performance bond for supplemental agreement for goods and services titled "Performance Bond (Surety) for Supplemental Agreement for Goods and Services", dated 11/17/98.
- EXHIBIT H:** Contract performance bond for supplemental agreement for goods and services for types of bonds submitted pursuant to paragraphs 3-122-222(2) and (3), HAR, titled "Performance Bond for Supplemental Agreement for Goods and Services", dated 11/17/98.
- EXHIBIT I\*:** Contractor acknowledgement form for use with contract performance and payment bonds titled "Contractor Acknowledgment", dated 11/12/97.
- EXHIBIT J\*:** Surety acknowledgement form for use with contract performance and payment bonds titled "Surety Acknowledgment", dated 11/12/97.

\*The contractor acknowledgment forms (Exhibits I and J) have not been revised.

Any concerns regarding this directive or requests for bond form changes shall be directed to the Administrator, State Procurement Office.

We recommend the attachments to this directive be filed at the end of Chapter 3-122, HAR. The directive may then be filed in front of Chapter 3-120, HAR. Please initial \_\_\_\_\_ and date \_\_\_\_\_ when you have completed the above actions.

ROBERT E. OYAMA  
Chairperson  
Procurement Policy Board

Attach.

EXHIBIT A

**SURETY [BID] [PROPOSAL] BOND**  
(11/17/98)

Bond No. \_\_\_\_\_

**KNOW TO ALL BY THESE PRESENTS:**

That we,  
\_\_\_\_\_,  
(full name or legal title of offeror)  
as Offeror, hereinafter called Principal, and  
\_\_\_\_\_,  
(name of bonding company)  
as Surety, hereinafter called Surety, a corporation authorized to transact business as a Surety  
in the State of Hawaii, are held and firmly bound unto  
\_\_\_\_\_,  
(State/county entity)  
as Owner, hereinafter called Owner, in the penal sum of \_\_\_\_\_

\_\_\_\_\_  
(required amount of bid security)  
Dollars (\$ \_\_\_\_\_), lawful money of the United States of America, for the payment of  
which sum well and truly to be made, the said Principal and the said Surety bind ourselves, our  
heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these  
presents.

**WHEREAS:**

The Principal has submitted an offer for  
\_\_\_\_\_  
\_\_\_\_\_  
(project by number and brief description)

**NOW, THEREFORE:**

The condition of this obligation is such that if the Owner shall reject said offer, or in the  
alternate, accept the offer of the Principal and the Principal shall enter into a Contract with the  
Owner in accordance with the terms of such offer, and give such bond or bonds as may be  
specified in the solicitation or Contract Documents with good and sufficient surety for the faithful  
performance of such Contract and for the prompt payment of labor and material furnished in the  
prosecution thereof as specified in the solicitation then this obligation shall be null and void,  
otherwise to remain in full force and effect.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Name of Principal (Offeror)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

(Seal)

\_\_\_\_\_  
Name of Surety

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

EXHIBIT B

**PERFORMANCE BOND (SURETY)**  
(11/17/98)

**KNOW TO ALL BY THESE PRESENTS:**

That

\_\_\_\_\_,  
(full legal name and street address of Contractor)

as Contractor, hereinafter called Principal, and

\_\_\_\_\_

\_\_\_\_\_,  
(name and street address of bonding company)

as Surety, hereinafter called Surety, a corporation(s) authorized to transact business as a  
surety in the State of Hawaii, are held and firmly bound unto the \_\_\_\_\_,  
(State/County entity)

its successors and assigns, hereinafter called Obligee, in the amount of \_\_\_\_\_

\_\_\_\_\_

DOLLARS (\$\_\_\_\_\_), to which payment Principal and Surety bind themselves,  
their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by  
these presents.

**WHEREAS**, the above-bound Principal has entered into a Contract with Obligee dated  
\_\_\_\_\_, for

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

hereinafter called Contract, which Contract is incorporated herein by reference and made a part  
hereof.

**NOW THEREFORE**, the condition of this obligation is such that:

If the Principal shall promptly and faithfully perform, and fully complete the Contract in strict accordance with the terms of the Contract as said Contract may be modified or amended from time to time; then this obligation shall be void; otherwise to remain in full force and effect.

Surety to this Bond hereby stipulates and agrees that no changes, extensions of time, alterations, or additions to the terms of the Contract, including the work to be performed thereunder, and the specifications or drawings accompanying same, shall in any way affect its obligation on this bond, and it does hereby waive notice of any such changes, extensions of time, alterations, or additions, and agrees that they shall become part of the Contract.

In the event of Default by the Principal, of the obligations under the Contract, then after written Notice of Default from the Obligee to the Surety and the Principal and subject to the limitation of the penal sum of this bond, Surety shall remedy the Default, or take over the work to be performed under the Contract and complete such work, or pay moneys to the Obligee in satisfaction of the surety's performance obligation on this bond.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Name of Principal (Contractor)

\*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

(Seal)

\_\_\_\_\_  
Name of Surety

\*

\_\_\_\_\_  
Signature

---

Title

\*ALL SIGNATURES MUST BE ACKNOWLEDGED  
BY A NOTARY PUBLIC

EXHIBIT C

**PERFORMANCE BOND**

(11/17/98)

**KNOW TO ALL BY THESE PRESENTS:**

That we,

\_\_\_\_\_  
(full legal name and street address of Contractor)

as Contractor, hereinafter called Contractor, is held and firmly bound unto the

\_\_\_\_\_, its successors and assigns, as Obligee, hereinafter called  
State/County entity)  
Obligee, in the amount of  
\_\_\_\_\_

\_\_\_\_\_  
(Dollar amount of contract)

DOLLARS (\$ \_\_\_\_\_), lawful money of the United States of America, for the payment of which to the said Obligee, well and truly to be made, Contractor binds itself, its heirs, executors, administrators, successors and assigns, firmly by these presents. Said amount is evidenced by:

- ☐ Legal tender;
- ☐ Share Certificate unconditionally assigned to or made payable at sight to

\_\_\_\_\_  
Description  
\_\_\_\_\_  
\_\_\_\_\_;

- ☐ Certificate of Deposit, No. \_\_\_\_\_, dated \_\_\_\_\_, issued by

\_\_\_\_\_  
drawn on

\_\_\_\_\_  
a bank, savings institution or credit union insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, payable at sight or unconditionally assigned to



\_\_\_\_\_

\_\_\_\_\_;

☐ Cashier's Check No. \_\_\_\_\_, dated \_\_\_\_\_, issued by \_\_\_\_\_

\_\_\_\_\_

drawn on \_\_\_\_\_

\_\_\_\_\_

a bank, savings institution or credit union insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, payable at sight or unconditionally assigned to \_\_\_\_\_

\_\_\_\_\_;

☐ Teller's Check No. \_\_\_\_\_, dated \_\_\_\_\_, issued by \_\_\_\_\_

\_\_\_\_\_

drawn on \_\_\_\_\_

\_\_\_\_\_

a bank, savings institution or credit union insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, payable at sight or unconditionally assigned to \_\_\_\_\_

\_\_\_\_\_;

☐ Treasurer's Check No. \_\_\_\_\_, dated \_\_\_\_\_, issued by \_\_\_\_\_

\_\_\_\_\_

drawn on \_\_\_\_\_

\_\_\_\_\_

a bank, savings institution or credit union insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, payable at sight or unconditionally assigned to \_\_\_\_\_

\_\_\_\_\_;

☐ Official Check No. \_\_\_\_\_, dated \_\_\_\_\_, issued by \_\_\_\_\_

\_\_\_\_\_

drawn on \_\_\_\_\_

\_\_\_\_\_,  
a bank, savings institution or credit union insured by the Federal Deposit  
Insurance Corporation or the National Credit Union Administration, payable at  
sight or unconditionally assigned to  
\_\_\_\_\_

\_\_\_\_\_  
\_;

- ☐ Certified Check No. \_\_\_\_\_, dated \_\_\_\_\_, accepted  
by a bank, savings institution or credit union insured by the Federal Deposit  
Insurance Corporation or the National Credit Union Administration, payable at  
sight or unconditionally assigned  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_;

**WHEREAS:**

The Contractor has by written agreement dated \_\_\_\_\_ entered into a  
contract with Obligee for the following Project:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

hereinafter called Contract, which Contract is incorporated herein by reference and made a part  
hereof.

**NOW, THEREFORE,**

The condition of this obligation is such that, if Contractor shall promptly and faithfully  
perform the Contract in accordance with, in all respects, the stipulations, agreements,  
covenants and conditions of the Contract as it now exists or may be modified according to its  
terms, and shall deliver the Project to the Obligee, or to its successors or assigns, fully  
completed as in the Contract specified and free from all liens and claims and without further  
cost, expense or charge to the Obligee, its officers, agents, successors or assigns, free and

harmless from all suits or actions of every nature and kind which may be brought for or on account of any injury or damage, direct or indirect, arising or growing out of the doing of said work or the repair or maintenance thereof or the manner of doing the same or the neglect of the Contractor or its agents or servants or the improper performance of the Contract by the Contractor or its agents or servants or from any other cause, then this obligation shall be void; otherwise it shall be and remain in full force and effect.

**AND IT IS HEREBY STIPULATED AND AGREED** that suit on this bond may be brought before a court of competent jurisdiction without a jury, and that the sum or sums specified in the said Contract as liquidated damages, if any, shall be forfeited to the Obligee, its successors or assigns, in the event of a breach of any, or all, or any part of, the covenants, agreements, conditions, or stipulations contained in the Contract or in this bond in accordance with the terms thereof.

The amount of this bond may be reduced by and to the extent of any payment or payments made in good faith hereunder.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Name of Contractor

\*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\*ALL SIGNATURES MUST BE ACKNOWLEDGED  
BY A NOTARY PUBLIC

EXHIBIT D

**LABOR AND MATERIAL PAYMENT BOND (SURETY)**

(11/17/98)

**KNOW TO ALL BY THESE PRESENTS:**

That

\_\_\_\_\_  
(full legal name and street address of Contractor)

as Contractor, hereinafter called Principal, and

\_\_\_\_\_

\_\_\_\_\_,  
(name and street address of bonding company)  
as Surety, hereinafter called Surety, a corporation(s) authorized to transact business as a surety  
in the State of Hawaii, are held and firmly bound unto the \_\_\_\_\_,  
(State/County entity)

its successors and assigns, hereinafter called Obligee, in the amount of \_\_\_\_\_

\_\_\_\_\_  
Dollars (\$ \_\_\_\_\_), to which payment Principal and Surety bind themselves, their  
heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these  
presents.

**WHEREAS**, the above-bound Principal has entered into a Contract with Obligee dated  
\_\_\_\_\_ for

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_,  
hereinafter called Contract, which Contract is incorporated herein by reference and made a part  
hereof.

**NOW THEREFORE**, the condition of this obligation is such that if the Principal shall  
promptly make payment to any Claimant, as hereinafter defined, for all labor and materials  
supplied to the Principal for use in the performance of the Contract, then this obligation shall be

void; otherwise to remain in full force and effect.

1. Surety to this Bond hereby stipulates and agrees that no changes, extensions of time, alterations, or additions to the terms of the Contract, including the work to be performed thereunder, and the specifications or drawings accompanying same, shall in any way affect its obligation on this bond, and it does hereby waive notice of any such changes, extensions of time, alterations, or additions, and agrees that they shall become part of the Contract.

2. A "Claimant" shall be defined herein as any person who has furnished labor or materials to the Principal for the work provided in the Contract.

Every Claimant who has not been paid amounts due for labor and materials furnished for work provided in the Contract may institute an action against the Principal and its Surety on this bond at the time and in the manner prescribed in Section 103D-324, Hawaii Revised Statutes, and have the rights and claims adjudicated in the action, and judgment rendered thereon; subject to the Obligee's priority on this bond. If the full amount of the liability of the Surety on this bond is insufficient to pay the full amount of the claims, then after paying the full amount due the Obligee, the remainder shall be distributed pro rata among the claimants.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Name of Principal (Contractor)

\*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

(Seal)

\_\_\_\_\_  
Name of Surety

\*

\_\_\_\_\_  
Signature

Title

\*ALL SIGNATURES MUST BE ACKNOWLEDGED  
BY A NOTARY PUBLIC

EXHIBIT E

**LABOR AND MATERIAL PAYMENT BOND**

(11/17/98)

**KNOW TO ALL BY THESE PRESENTS:**

That we,

\_\_\_\_\_  
(full legal name and street address of Contractor)

as Contractor, hereinafter called Contractor, is held and firmly bound unto the

\_\_\_\_\_, its successors and assigns, as Obligee, hereinafter called  
(State/County entity)  
Obligee, in the amount of  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_ (Dollar amount of contract)

DOLLARS (\$ \_\_\_\_\_), lawful money of the United States of America, for the payment of which to the said Obligee, well and truly to be made, Contractor binds itself, its heirs, executors, administrators, successors and assigns, firmly by these presents. Said amount is evidenced by:

- ☐ Legal tender;
- ☐ Share Certificate unconditionally assigned to or made payable at sight to

— \_\_\_\_\_  
Description  
\_\_\_\_\_  
\_\_\_\_\_;

- ☐ Certificate of Deposit, No. \_\_\_\_\_, dated \_\_\_\_\_, issued by  
\_\_\_\_\_  
drawn on

\_\_\_\_\_  
a bank, savings institution or credit union insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, payable at sight or unconditionally assigned to  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_;

☐ Cashier's Check No. \_\_\_\_\_, dated \_\_\_\_\_, issued by

\_\_\_\_\_  
drawn on

\_\_\_\_\_  
a bank, savings institution or credit union insured by the Federal Deposit  
Insurance Corporation or the National Credit Union Administration, payable at  
sight or unconditionally assigned to

\_\_\_\_\_  
\_\_\_\_\_;

☐ Teller's Check No. \_\_\_\_\_, dated \_\_\_\_\_, issued  
by

\_\_\_\_\_  
drawn on

\_\_\_\_\_  
a bank, savings institution or credit union insured by the Federal Deposit  
Insurance Corporation or the National Credit Union Administration, payable at  
sight or unconditionally assigned to

\_\_\_\_\_  
\_\_\_\_\_;

☐ Treasurer's Check No. \_\_\_\_\_, dated \_\_\_\_\_, issued by

\_\_\_\_\_  
drawn on

\_\_\_\_\_  
a bank, savings institution or credit union insured by the Federal Deposit  
Insurance Corporation or the National Credit Union Administration, payable at  
sight or unconditionally assigned to

\_\_\_\_\_  
\_\_\_\_\_;

☐ Official Check No. \_\_\_\_\_, dated \_\_\_\_\_, issued by

\_\_\_\_\_  
drawn on



\_\_\_\_\_,  
a bank, savings institution or credit union insured by the Federal Deposit  
Insurance Corporation or the National Credit Union Administration, payable at  
sight or unconditionally assigned to  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_;

- ☐ Certified Check No. \_\_\_\_\_, dated \_\_\_\_\_, accepted  
by a bank, savings institution or credit union insured by the Federal Deposit  
Insurance Corporation or the National Credit Union Administration, payable at  
sight or unconditionally assigned to  
\_\_\_\_\_

\_\_\_\_\_;

**WHEREAS:**

The Contractor has by written agreement dated \_\_\_\_\_ entered into a  
contract with Obligee for the following Project: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_,  
hereinafter called Contract, which Contract is incorporated herein by reference and made a part  
hereof.

**NOW, THEREFORE,**

The condition of this obligation is such that, if Contractor shall promptly and faithfully  
perform the Contract in accordance with, in all respects, the stipulations, agreements,  
covenants and conditions of the Contract as it now exists or may be modified according to its  
terms, free from all liens and claims and without further cost, expense or charge to the Obligee,  
its officers, agents, successors or assigns, free and harmless from all suits or actions of every  
nature and kind which may be brought for or on account of any injury or damage, direct or  
indirect, arising or growing out of the doing of said work or the repair or maintenance thereof or  
the manner of doing the same or the neglect of the Contractor or its agents or servants or the  
improper performance of the Contract by the Contractor or its agents or servants or from any

other cause, and shall promptly pay all persons supplying labor and materials for the performance of the Contract, then this obligation shall be void; otherwise it shall be and remain in full force and effect.

**AND IT IS HEREBY STIPULATED AND AGREED** that suit on this bond may be brought before a court of competent jurisdiction without a jury, and that the sum or sums specified in the said Contract as liquidated damages, if any, shall be forfeited to the Obligee, its successors or assigns, in the event of a breach of any, or all, or any part of, the covenants, agreements, conditions, or stipulations contained in the Contract or in this bond in accordance with the terms thereof.

**AND IT IS HEREBY STIPULATED AND AGREED** that this bond shall inure to the benefit of any and all persons entitled to file claims for labor performed or materials furnished in said work so as to give any and all such persons a right of action as contemplated by Sections 103D-324(d) and 103D-324(e), Hawaii Revised Statutes.

The amount of this bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder, inclusive of the payment of mechanics' liens which may be filed of record against the Project, whether or not claim for the amount of such lien be presented under and against this bond.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Name of Contractor

\*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\*ALL SIGNATURES MUST BE ACKNOWLEDGED  
BY A NOTARY PUBLIC

EXHIBIT F

**COMBINATION PERFORMANCE AND PAYMENT BOND**  
(11/17/98)

**KNOW TO ALL BY THESE PRESENTS:**

That we,

\_\_\_\_\_,  
(full legal name and street address of Contractor)

as Contractor, hereinafter called Principal, and

\_\_\_\_\_  
\_\_\_\_\_,  
(name and street address of bonding company)

as surety, hereinafter called Surety, a corporation(s) authorized to transact business as a  
surety in the State of Hawaii, are held and firmly bound unto the \_\_\_\_\_,  
(State/County entity)  
its successors and assigns, as Obligee, hereinafter called Obligee, in the amount of

\_\_\_\_\_  
(Twice the dollar amount of contract)

DOLLARS (\$\_\_\_\_\_) (being

\_\_\_\_\_  
DOLLARS as performance bond and

\_\_\_\_\_  
DOLLARS as payment bond, each in the amount of one hundred percent of the contract price  
as required by 103D-324, Haw. Rev. Stat.), lawful money of the United States of America, for  
the payment of which to the said Obligee, well and truly to be made, Contractor and Surety bind  
ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally,  
firmly by these presents.

**WHEREAS:**

The Principal has by written agreement dated \_\_\_\_\_ entered into a contract  
with Obligee for the following Project:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

---

\_\_\_\_\_',  
hereinafter called Contract, which Contract is incorporated herein by reference and made a part hereof.

**NOW, THEREFORE,**

The condition of this obligation is such that, if Principal shall promptly and faithfully perform the Contract in accordance with, in all respects, the stipulations, agreements, covenants and conditions of the Contract as it now exists or may be modified according to its terms, and shall deliver the Project to the Obligee, or to its successors or assigns, fully completed as in the Contract specified and free from all liens and claims and without further cost, expense or charge to the Obligee, its officers, agents, successors or assigns, free and harmless from all suits or actions of every nature and kind which may be brought for or on account of any injury or damage, direct or indirect, arising or growing out of the doing of said work or the repair or maintenance thereof or the manner of doing the same or the neglect of the Principal or its agents or servants or the improper performance of the Contract by the Principal or its agents or servants or from any other cause, and shall promptly pay all persons supplying labor and materials for the performance of the Contract, then this obligation shall be void; otherwise it shall be and remain in full force and effect.

**AND IT IS HEREBY STIPULATED AND AGREED** that no change, extension, alteration, deduction or addition, permitted by the Contract, in or to the terms of the Contract, or the plans or specifications pertaining thereto, shall in any way affect the obligation of the Surety on this bond; and the Surety does hereby waive notice of any such change, extension, alteration, deduction or addition in or to the terms of the Contract, or the plans or specifications pertaining thereto, or in or to the said Project.

**AND IT IS HEREBY STIPULATED AND AGREED** that suit on this bond may be brought before a court of competent jurisdiction without a jury, and that the sum or sums specified in the said Contract as liquidated damages, if any, shall be forfeited to the Obligee, its successors or assigns, in the event of a breach of any, or all, or any part of, the covenants, agreements, conditions, or stipulations contained in the Contract or in this bond in accordance with the terms thereof.

**AND IT IS HEREBY STIPULATED AND AGREED** that this bond shall inure to the benefit of any and all persons entitled to file claims for labor performed or materials furnished in said work so as to give any and all such persons a right of action as contemplated by Sections 103D-324(d) and 103D-324(e), Hawaii Revised Statutes.

The above-named Principal and Surety hereby jointly and severally agree with the Obligee that every person who has furnished labor or material to the Principal for the performance of the Contract who has not been paid in full therefor after two months from the

completion and final settlement of any contract, may institute an action against the Principal and its sureties, and have their rights and claims adjudicated in the action, and judgment rendered thereon. If the full amount of the liability of the sureties on the bond is insufficient to pay the full amount of the claims, then, after paying the full amount due the Obligee, the remainder shall be distributed pro rata among the claimants. The Obligee shall not be liable for the payment of any costs or expenses of any such suit.

The amount of this bond may be reduced in accordance with and subject to section 3-122-226, Hawaii Administrative Rules.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Name of Principal (Contractor)

\*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

(Seal)

\_\_\_\_\_  
Name of Surety

\*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\*ALL SIGNATURES MUST BE ACKNOWLEDGED  
BY A NOTARY PUBLIC



EXHIBIT G

**PERFORMANCE BOND (SURETY)  
FOR SUPPLEMENTAL AGREEMENT  
FOR GOODS AND SERVICES  
(11/17/98)**

**KNOW TO ALL BY THESE PRESENTS:**

That

\_\_\_\_\_  
(full legal name and street address of Contractor)

as Contractor, hereinafter called Principal, and

\_\_\_\_\_

\_\_\_\_\_,  
(name and street address of bonding company)

as Surety, hereinafter called Surety, a corporation(s) authorized to transact business as a surety in the State of Hawaii, are held and firmly bound unto the \_\_\_\_\_,  
(State/County entity)  
its successors and assigns, hereinafter called Obligee, in the amount of

\_\_\_\_\_  
DOLLARS (\$ \_\_\_\_\_), to which payment Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

**WHEREAS**, the above-bound Principal has entered into a Contract with Obligee dated \_\_\_\_\_ for \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
and entered into Supplemental Agreement No. \_\_\_\_\_, dated \_\_\_\_\_ for the period \_\_\_\_\_;  
hereinafter collectively called Contract, which Contract is incorporated herein by reference and made a part hereof.

**NOW THEREFORE**, the condition of this obligation is such that:

If the Principal shall promptly and faithfully perform, and fully complete the Contract in

strict accordance with the terms of the Contract as said Contract may be modified or amended from time to time; then this obligation shall be void; otherwise to remain in full force and effect.

Surety to this Bond hereby stipulates and agrees that no changes, extensions of time, alterations, or additions to the terms of the Contract, including the work to be performed thereunder, and the specifications or drawings accompanying same, shall in any way affect its obligation on this bond, and it does hereby waive notice of any such changes, extensions of time, alterations, or additions, and agrees that they shall become part of the Contract.

In the event of Default by the Principal, of the obligations under the Contract, then after written Notice of Default from the Obligee to the Surety and the Principal, Surety shall either remedy the Default, or take over the work to be performed under the Contract and complete such work, subject, however, to the limitation of the penal sum of this bond.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Name of Principal (Contractor)

\*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

(Seal)

\_\_\_\_\_  
Name of Surety

\*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title



\*ALL SIGNATURES MUST BE ACKNOWLEDGED  
BY A NOTARY PUBLIC

EXHIBIT H

**PERFORMANCE BOND  
FOR SUPPLEMENTAL AGREEMENT  
FOR GOODS AND SERVICES  
(11/17/98)**

**KNOW TO ALL BY THESE PRESENTS:**

That we,

\_\_\_\_\_,  
(full legal name and street address of Contractor)  
as Contractor, hereinafter called Contractor, is held and firmly bound unto the

\_\_\_\_\_, its successors and assigns, as Obligee, hereinafter called Obligee,  
(State/County entity)  
in the amount of

\_\_\_\_\_  
(Dollar amount of contract)  
DOLLARS (\$\_\_\_\_\_), lawful money of the United States of America, for the  
payment of which to the said Obligee, well and truly to be made, Contractor binds itself, its  
heirs, executors, administrators, successors and assigns, firmly by these presents. Said  
amount is evidenced by:

- ☐ Legal tender;
- ☐ Share Certificate unconditionally assigned to or made payable at sight to

\_\_\_\_\_  
\_\_\_\_\_  
Description  
\_\_\_\_\_;

- ☐ Certificate of Deposit, No. \_\_\_\_\_, dated \_\_\_\_\_ issued  
by

\_\_\_\_\_  
drawn on  
\_\_\_\_\_  
a bank, savings institution or credit union insured by the Federal Deposit  
Insurance Corporation or the National Credit Union Administration, payable at  
sight or unconditionally assigned to

- ☐ Cashier's Check No. \_\_\_\_\_, dated \_\_\_\_\_, drawn  
on

\_\_\_\_\_,  
a bank, savings institution or credit union insured by the Federal Deposit  
Insurance Corporation or the National Credit Union Administration, payable at  
sight or unconditionally assigned to  
\_\_\_\_\_

\_\_\_\_\_;  
\_\_\_\_\_

- ☐ Teller's Check No. \_\_\_\_\_, dated \_\_\_\_\_, drawn  
on

\_\_\_\_\_,  
a bank, savings institution or credit union insured by the Federal Deposit  
Insurance Corporation or the National Credit Union Administration, payable at  
sight or unconditionally assigned to  
\_\_\_\_\_

\_\_\_\_\_;  
\_\_\_\_\_

- ☐ Treasurer's Check No. \_\_\_\_\_, dated \_\_\_\_\_, drawn  
on

\_\_\_\_\_,  
a bank, savings institution or credit union insured by the Federal Deposit  
Insurance Corporation or the National Credit Union Administration, payable at  
sight or unconditionally assigned to  
\_\_\_\_\_

\_\_\_\_\_;  
\_\_\_\_\_

- ☐ Official Check No. \_\_\_\_\_, dated \_\_\_\_\_, drawn  
on

\_\_\_\_\_,  
a bank, savings institution or credit union insured by the Federal Deposit  
Insurance Corporation or the National Credit Union Administration, payable at  
sight or unconditionally assigned to  
\_\_\_\_\_

\_\_\_\_\_;  
\_\_\_\_\_

- ☐ Certified Check No. \_\_\_\_\_, dated \_\_\_\_\_,  
accepted by a bank, savings institution or credit union insured by the Federal  
Deposit Insurance Corporation or the National Credit Union Administration,

payable at sight or unconditionally assigned to

\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_;

**WHEREAS:**

The Contractor has by written agreement dated \_\_\_\_\_ entered into a contract with Obligea for the following Project:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

and entered into Supplemental Agreement No. \_\_\_\_\_, dated \_\_\_\_\_ for the period \_\_\_\_\_; hereinafter collectively called Contract, which Contract is incorporated herein by reference and made a part hereof.

**NOW, THEREFORE,**

The condition of this obligation is such that, if Contractor shall promptly and faithfully perform the Contract in accordance with, in all respects, the stipulations, agreements, covenants and conditions of the Contract as it now exists or may be modified according to its terms, and shall deliver the Project to the Obligea, or to its successors or assigns, fully completed as in the Contract specified and free from all liens and claims and without further cost, expense or charge to the Obligea, its officers, agents, successors or assigns, free and harmless from all suits or actions of every nature and kind which may be brought for or on account of any injury or damage, direct or indirect, arising or growing out of the doing of said work or the repair or maintenance thereof or the manner of doing the same or the neglect of the Contractor or its agents or servants or the improper performance of the Contract by the Contractor or its agents or servants or from any other cause, then this obligation shall be void; otherwise it shall be and remain in full force and effect.

**AND IT IS HEREBY STIPULATED AND AGREED** that suit on this bond may be brought before a court of competent jurisdiction without a jury, and that the sum or sums specified in the said Contract as liquidated damages, if any, shall be forfeited to the Obligea, its successors or assigns, in the event of a breach of any, or all, or any part of, the covenants, agreements, conditions, or stipulations contained in the Contract or in this bond in accordance with the terms thereof.

The amount of this bond may be reduced by and to the extent of any payment or payments made in good faith hereunder.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal)

---

Name of Contractor

\*

---

Signature

---

Title

\*ALL SIGNATURES MUST BE ACKNOWLEDGED  
BY A NOTARY PUBLIC

## CONTRACTOR ACKNOWLEDGMENT

[FOR USE WITH PERFORMANCE AND PAYMENT BONDS]  
(11/12/97)

[FOR USE WITH PERFORMANCE AND PAYMENT BONDS]  
(11/12/97)

CONTRACTOR ACKNOWLEDGMENT:

STATE OF \_\_\_\_\_) : SS.  
\_\_\_\_\_ COUNTY OF \_\_\_\_\_)

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me  
appeared \_\_\_\_\_

\_\_\_\_\_ and \_\_\_\_\_

to me known to be the person(s) described in and, who, being by me duly sworn, did say that  
he/she/they is/are \_\_\_\_\_ and \_\_\_\_\_  
of \_\_\_\_\_

the Contractor named in the foregoing instrument, and that he/she/they is/are authorized to sign said instrument in behalf of the Contractor, and acknowledges that he/she/they executed said instrument as the free act and deed of the Contractor.

                      
(Notary Seal)

Notary Public

State of

My commission expires: \_\_\_\_\_



